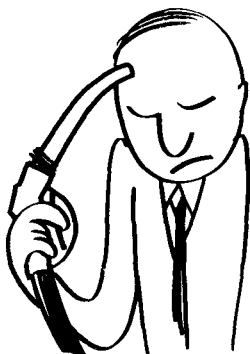


# POINTS OF THE COMPASS

## Of Valuable Oil & Worthless Policies

By J. B. Kelly



THERE HAS BEEN a great squawking and flapping of wings of late in the capitals of the West as the chickens from the Middle East have come home to roost. Not only has the noise been heard in the halls of the Pentagon and the State Department and along the corridors of

impotence in Whitehall

but it has also disturbed the tranquillity of the academies and think-tanks and other *ateliers* of informed opinion. For the convulsion which swept away Muhammad Reza Shah and the apparatus of orderly government in Iran in the winter of 1978-79 also exposed the rickety foundations upon which Western policy in the Gulf region had rested throughout the present decade, a policy which was initially fashioned from illusion and has been sustained ever since by deceit.

When the government of Harold Wilson announced in January 1968, two months after abandoning Aden and South Arabia to the crypto-Marxist National Liberation Front, that it intended also to withdraw from the Gulf by the end of 1971, the shadow foreign secretary, Sir Alec Douglas Home, condemned the decision in the House of Commons as "a dereliction of stewardship, the like of which this country has not seen in the conduct of foreign policy before." Three years later, as foreign secretary in Edward Heath's administration, he implemented the decision. No provision was made at the time for the future protection of British and

Western interests in the region beyond the grant of limited assistance to the Sultan of Oman in defeating the guerrilla insurgency in his southern province of Dhufar, an insurgency which had only assumed dangerous proportions after the British abandonment of Aden at the end of 1967.

After 150 years of keeping the peace of the Gulf Britain had walked (or rather sidled) out. Her departure represented a triumph for that school of thought which, ever since the defeat at Suez fifteen years earlier, had held that there was no call any longer for "a British presence" anywhere in the Middle East. For the United States, which had tried—rather late in the day—to prevail upon Britain to reconsider the decision to leave the Gulf, the British withdrawal posed a twofold problem. There could be no question of the United States actively assuming the role that Britain had relinquished; for the national neurosis induced by the war in Viet Nam had already begun the slow paralysis of American foreign policy which has today almost reached a terminal stage. On the other hand, an area as intrinsically unstable as the Gulf, containing half the known oil reserves in the world, could not simply be left without any form of regional security, especially as there were other outside powers inimical to the West, the Soviet Union in particular, who would welcome the opportunity now granted them to intervene, in one guise or another, in the Gulf's affairs. Confronted with this dilemma, the United States sought an easy solution—and found it in the expedient of building up Saudi Arabia and Iran, the twin pillars, as guardians of the Gulf.

THE BASIC FLAW in this arrangement was that these two states had been the principal troublemakers in the Gulf for a good century-and-a-half, and they showed no signs of changing their spots. Ever since the close of the 18th century the House of Saud had been trying to extend its sway over the entire Arabian peninsula, desisting only when internecine quarrels or the intrusive activities of its neighbours periodically distracted it. By the early 1930s King Abdul Aziz ibn Saud (the father of the present ruler) had conquered the bulk of the peninsula, the further extension of his power being blocked by Britain's treaty relationship with the petty states of the Arabian littoral of the Gulf, as well as by her protectorate over South Arabia and her longstanding friendship with Oman. The discovery of oil in Hasa, the eastern province of Saudi Arabia, did not abate Ibn Saud's appetite for fresh territory. On the contrary, beginning in 1934, he advanced large claims to the Rub al-Khali, the "Empty Quarter" and parts of Oman and Abu Dhabi, on the assumption (which time was to prove correct) that they also might contain oil deposits. His sons and successors persisted with the claims

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after his death in 1953, resorting to a fair number of dubious tactics in an effort to enforce them—including gun-running, bribery, attempted assassination, subversion in Oman and encouragement for a tribal rebellion in Dhufar. An eventual accommodation was reached in 1974–75—in so far as anything can be said to be settled in the flux and reflux of Arabian politics—when some substantial pieces of Oman and Abu Dhabi, one of them containing a large oilfield, were made over to Faisal ibn Abdul Aziz as the price of his recognition of the newly-formed “United Arab Emirates.”

IRAN, like the Saudi amirate of Najd, had resisted nearly every effort by Britain in the 19th and 20th centuries to civilise the Gulf and bring it under the rule of law, whether by the suppression of piracy and maritime warfare, the outlawing of the slave trade, the curbing of the arms traffic, the charting of the Gulf's waters, the laying of the telegraph or the establishment of quarantine stations and regulations. This policy of obstruction was accompanied by, indeed, largely arose from, an almost pathological addiction on the part of Persian governments to the assertion of large and insubstantial claims to dominion over much of the Gulf region—to the Shatt al-Arab and parts of Kuwait, to Bahrain and other islands in the Gulf, to tracts of Seistan, Makran and Baluchistan, and to western areas of Afghanistan. In part these claims were occasioned by a desire to compensate for territory lost to Russia in the Caucasus and beyond the Caspian, and as such they were often encouraged by the Russians. They also sprang, however, from a conviction (similar to that held by the Al Saud of Najd) that wherever in the world an Iranian foot had once trod that spot remained thereafter irrevocably and eternally Iranian.

Illusions of grandeur and an obsessive pre-occupation with what were held to be Iran's sovereign rights in the Gulf region also dominated the thinking of Muhammad Reza Shah. His modest ambition was to bestride Western Asia like a Colossus, to recreate the empire of Darius and to make Iran, within the space of one or two decades, into the second industrial nation in Asia after Japan.

Casting about him for ways in which to impress his neighbours and the world outside with his puissance and majesty, he tore up in 1969 the treaty with Iraq governing the maritime régime in the Shatt al-Arab, gave conspicuous aid to the Kurds in their revolt against the government of Baghdad, seized the islands of Abu Musa and the Tunbs on the eve of Britain's withdrawal from the Gulf, with the intention of controlling the Straits of Hormuz, and a couple of years later sent troops to Dhufar to help suppress the insurgency there.

The benefit to the West of these various actions was highly questionable. His quarrel with Iraq and the seizure of Abu Musa and the Tunbs led to the conclusion of the Soviet-Iraqi treaty of April 1972 and to Colonel Qaddafi's expropriation of British Petroleum's concession and assets in Libya. The contribution of Iranian arms to the defeat of the insurgency in Dhufar was hardly decisive, while at the same time it caused ripples of apprehension along the Arabian shore of the Gulf. As for the Kurds, the Shah unceremoniously abandoned them in the spring of 1975 in order to improve his relations with the Baathist junta in Baghdad.

WHILE ALL THIS WAS GOING ON, the United States, having promulgated the theory of the “twin pillars”, had been trying to invest the conceit with substance.

In May 1972 President Nixon and his secretary of state, Henry Kissinger, stopped in Tehran on their way back from disarmament talks in Moscow. They gave the Shah assurances of virtually unhampered access to America's arsenal, without having to run the gauntlet of the normal scrutiny accorded arms requests by the Departments of State and Defence. It was an unprecedented act of policy by a US administration towards a non-Western power, for it allowed the Shah to purchase advanced weapons of a kind whose export had hitherto been restricted to NATO countries. What Nixon and Kissinger did not foresee was the huge increase in Iran's oil revenues following the quadrupling of oil prices by OPEC late in 1973, an increase which enabled the Shah to indulge to the point of satiety his passion for the deadly trinkets of war.

Much the same kind of *carte blanche* was subsequently given to Saudi Arabia, and for the same inadequately considered strategic reasons. The policy was given an added impetus, as well as a meretricious economic justification, by the oil-price rises of 1973–74, the accepted wisdom of the day being that the money paid out for oil could be “recouped” by selling the Arabs and Iranians vast quantities of arms and other expensive gewgaws. Much rubbing of hands and greasing of palms ensued on both sides of the Atlantic as Britain, France, and the United States set out to array the Saudi and Iranian armies like Caesar's legions. In so doing, as the United States Senate Committee on Foreign Relations discovered in 1976 in its investigations into the Lockheed and Grumman scandals, they managed to plumb some exceedingly murky depths.

To sell the “twin-pillar” policy to the Congress, some members of which in both the House and the Senate were inclined to question its practicability, the State Department conducted a tireless

campaign to depict Saudi Arabia and Iran as dependable allies of the United States: dynamic, stable, forward-looking, economically progressive, and militarily strong, or at least potentially so. It was an undertaking which called for a fair degree of ingenuity and considerable powers of imagination; but the State Department, with some assistance from the Pentagon, was equal to the task. From 1971 onwards, in appearances before Congressional committees concerned with foreign affairs, witnesses from the State Department built up a picture of the Shah as an enlightened despot (the particular phrase was not actually used, being considered perhaps a little inapt to the purpose at hand), anxious to regenerate his country, to modernise its economy, educate its people, and defend them against their enemies. More than this, however, it was earnestly asserted, the Shah was capable of being entrusted with the care of Western interests in the Gulf and its surrounding seas, since there was a close and even irresistible identity of interests between Iran and the United States.

Thus Philip C. Habib (under-secretary for political affairs at the State Department) told a sub-committee of the Senate Foreign Relations Com-

mittee in September 1976 that the United States and Iran "have generally seen our respective interests as parallel, at times congruent, and we share many objectives." He was, he explained, only reflecting the views of his chief, Kissinger, who more than once had stated that the policies of the United States and Iranian governments "have been parallel and therefore mutually reinforcing", and that cooperation between the two "grew out of a leadership that is clearly independent, that pursues its conception of its own national interest based on a history of 2,500 years of Iranian policy. . . ." (The most charitable comment one can make upon this syntactic bizarre is that Kissinger was not a close student of Iranian history.) Habib's statements were made in the context of the proposed sale of yet more advanced aircraft to Iran—160 F-16s at a cost of \$3,800 million—a subject which was at that moment also engaging the attention of Senator Frank Church's sub-committee on multinational corporations. Though the Church sub-committee hearings were uncovering the existence of some fairly *louche* transactions between American aircraft and armaments manufacturers and the Shah's government, the State Department



IN 1969 Henry Kissinger, soon after moving into the White House as Richard Nixon's National Security Adviser, ordered a policy study of how the vacuum left by the British withdrawal from the Persian Gulf should be filled. Rejecting a direct American role,

Nixon opted for "regional cooperation", based on the twin pillars of Iran and Saudi Arabia. At this stage, the internal stability of the Shah's regime was taken for granted. "The whole assumption was that the Shah was well entrenched and that there was no foreseeable threat to that stability", recalls one of those actively taking part in the creation of the policy. "I feel that I was equally as guilty, and that Mr. Kissinger and the previous Administrations were equally as guilty and oblivious as the Carter people." To date, such candid contrition is not shared by all the architects of the policy.

FROM a relatively modest level of \$113 million in fiscal year 1970, US military sales to Iran had climbed to \$2.1 billion by 1973. How his military ambitions affected the Shah's demand for higher oil prices is a matter for conjecture. What is clear is that the quadrupling of oil revenues gave him the means to pursue these ambitions to the hilt.

The rationale for these vast shipments of sophisticated weaponry—some \$12 billion in orders were in the pipeline when the Shah was overthrown—was the hollow argument that they would contribute

to regional stability. When the crisis in Iran came, the Shah's regime had an overabundance of supersonic fighters, including seventy-eight of the advanced F-14's—but ran short of tear gas. Far from stabilizing the situation, the arms became a major source of popular unrest, arousing bitter resentment against the wasteful diversion of the country's economic resources, the corruption rampant throughout the Iranian procurement program, and the culturally jarring invasion of thousands of foreign personnel and their dependents. It is a historical irony that by enabling the Shah to pursue his grandiose ambition of surpassing West Germany by the year 2000, the oil bonanza sowed the seeds of his own destruction.

THE ADMINISTRATION worried that critical reporting might jeopardize congressional support for the military-sales program. Despite evidence that the program was "out of control", Senate Foreign Relations Committee investigators charged in July, 1976, that "senior State Department officials appear not to have been prepared to tolerate open debate on . . . unrestricted arms sales to Iran."

According to the staff report of the House Intelligence Committee of January 24, "No CIA intelligence reporting based on sources within the religious opposition occurred during a two-year period ending in November, 1977." Also: "there was absolutely no reporting on the internal situation based on sources within the opposition party during the first quarter of 1978." Despite the prophetic-sounding title of "Iran After the Shah", a twenty-three-page intelligence Assessment published in August, 1978, flatly stated in its preface that "Iran is not in a revolutionary, or even in a 'prerevolutionary' situa-

## The US Failure

did not appear in the least disconcerted by them. Nor did it—nor did anyone else, for that matter—profess the slightest unease at the possibility that the Shah's profligate expenditure upon arms might be bankrupting Iran, to the eventual detriment of his own position and his function as America's northern sentinel of the Gulf.

MUCH THE SAME KIND of creative licence, with appropriate adjustments, was used in depicting the strength and importance of Saudi Arabia. Here, instead of a contemporary Xerxes and the burgeoning "second industrial power in Asia", we had the Badu Kingdom, ruled over by the stern yet benevolent House of Saud, supported by and themselves upholding the austere verities of the Wahhabi practice of Islam. Borrowing heavily from the propaganda circulated in the United States for many years by the Arabian-American Oil Company, the State Department in successive hearings before the Congressional committees spun a tale about the Saudi ruling house, its rise to power, its mode of government, and its conduct towards its neighbours that the ghost of Scheherazade could not have bettered. At the heart

### *in Iran—* tion."

And yet—would better intelligence have changed U.S. policy? It seems doubtful. As a classified staff report of the House Intelligence Committee commented in August 1978, "History provides ample illustration to suggest the futility of warning if decision-makers are unwilling to accept a warning or are unprepared to deal with the terms in which the warning comes."

THERE FINALLY ARISES the question critical to the global balance of power: if the U.S. cannot simply proclaim its pure political abstinence from the turmoil of such an arena, how should it make its concerned presence effectively known and felt? In 1968, the Soviet Union dealt with a popular threat to its stake in Czechoslovakia in its own way. But this is a way wholly incompatible with the U.S.'s declared values and principles. What are the legitimate and effective ways for the U.S. to safeguard vital interests in countries threatened by such social pressures and political disorders? Can these ways be reconciled with any understood code of conduct restraining any major power from merely exploiting and manipulating countries in ferment? And without some such agreed constraint, can detente prove workable?

THESE ARE SOME lasting questions posed by the unhappy events in Iran. They thrust far beyond the dilemmas of the immediate present or the frontiers of that country. And if we can grasp some realistic answers to them, we may somewhere else save what we could not guard there.

**Herman Nickel**

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of the State Department's presentation lay the argument—first propounded and assiduously propagated for many years afterwards by ARAMCO for its own obvious purposes—that a natural affinity existed between Americans and Saudi Arabs, a sense of immediate camaraderie that made them logical allies. To give this notion of a mutuality of interests and outlook between the citizens of the world's most advanced democracy and the inhabitants of one of the world's most unenlightened states a little more credibility, ARAMCO in its publications had employed a terminology deliberately evocative of the American West in pioneer days, of Badu homesteaders, of grazing ranges (*diyar* in Arabic), of the Saudis as Unitarians (*muwahiddun*, "believers in the unity of God"), of manifest destiny—in short, of Arabia as America's last frontier. The State Department adopted the same practice, while updating the imagery to that of Pittsburgh and Houston arising by the Red Sea, of a grand economic Saudi-American partnership, with the Saudis supplying the oil and finance and the Americans technology, arms and political guarantees.

To some extent the State Department was aided in its endeavours to portray Saudi Arabia as a rapidly evolving, modern kingdom by the gullibility of some Senators and Congressmen.

"The notion that we are dealing in Saudi Arabia with primitive Bedouins is not only patronising but obviously mistaken", George McGovern informed his colleagues in the Senate in May 1975 after a lightning visit to that country. As one American Embassy official had put it to him, "What you are dealing with here is a government run by 3,000 American university graduates. . . ." Further testimony to the efficiency of the Saudi government—its constructive use of its oil revenues, its benign outlook upon its smaller neighbours in the Gulf, its reliability as an ally of the United States, and its solicitude for the economic health of the West, as evidenced by its moderating influence in the counsels of OPEC—was liberally provided by the parade of witnesses from the universities, the oil companies and other outside bodies who appeared before the Congressional committees from 1971 onwards.

It was a rare display of an even rarer unanimity of views, made all the more interesting by the fact that no Western scholar or casual inquirer was allowed to travel in Saudi Arabia to see conditions there for himself and form an independent judgment about the country.

WHERE DOES THE WEST stand today with respect to the security of its oil supplies from the Gulf—now that the great over-arching edifice of Saudi-Iranian cooperation, which the



United States, Ozymandias-like, had decreed should dominate the Gulf, has turned out to be a sham? . . . "Two vast and trunkless legs of stone/Stand in the desert."

Strategic control over Middle-Eastern sources of oil was deemed essential by the major Western powers until recent years. Britain had exercised such control through the British government's shareholding in British Petroleum, through British management of the Iraq Petroleum Company, and through her political and military presence in the Gulf. France, which had a minority shareholding in the Iranian consortium, in IPC and in operations in the lower Gulf shajkhdoms, tried in the 1960s to ensure security of supply by means of her "special relationship" with Algeria, an attempt which ended in failure in 1971. The United States after the Second World War entrusted the protection of her strategic interest in Middle-Eastern oil to the major American oil companies operating in the Middle East, which meant, in effect, turning the responsibility over to ARAMCO and its parent companies.

During the 1960s the argument developed and took hold that *physical control* of Middle-Eastern oil, as exercised by the oil companies' concessionary rights and the British presence in the Gulf, was no longer necessary, indeed, was positively detrimental in its effects. The irresistible strength of Afro-Asian Nationalism, the shifting balance of power in the world, the passing of the imperial age and all the other familiar excuses with which the West has cloaked its descent into lethargy were invoked in support of the argument. The supply of oil, like its price—so it was contended—was purely a commercial question, a matter of supply-and-demand, and to be treated as such. The reigning consensus of opinion was summed up by the fashionable adage, "The Arabs can't drink their oil." As we have come to learn, however, they, and the Iranians, are not averse to attempting the feat.

Neither the creeping nationalisation of the oil companies (under the disingenuous label of "participation") nor the oil embargo and the huge price increases of the autumn of 1973 had much effect in casting doubt upon the validity of the dogma. A few cosmetic adjustments were made and the dogma re-emerged in the guise of "recycling", a magical process by which the vast sums paid out for oil would be recovered both by the sale of equally vast quantities of industrial goods and arms and by luring the Arabs into investing their financial surpluses in the West. What few paused to consider, or if they did, resignedly rejected as impracticable, was whether it would not be wiser to press for a reduction of oil prices. After all, if for any reason the contracts for arms and other Western manufactures were to be cancelled, the West would still be compelled to pay excessive

prices for oil without being able to offset them by the sale of Chieftain Tanks and F-16s.

THE BATTLE AGAINST higher oil prices, however, was lost almost as soon as it began in the early summer of 1970, when Colonel Muammar Qaddafi unilaterally raised the price of Libyan oil under the threat of shutting down production by the Western oil companies operating in Libya. Despite efforts by the major American and British oil companies to impress upon the US government the consequences of allowing Qaddafi to succeed with his extortion, the State Department refused to stand up to him. When the rest of OPEC emulated the Libyan leader's tactics and threatened the oil companies with an embargo unless their demands for increased prices were also met, the State Department, after initially assisting to make a combined negotiation by the companies legally permissible under US anti-trust legislation, then proceeded to sabotage the subsequent negotiations with OPEC at Tehran in January 1971 by withdrawing its support when the going got rough.

From that moment onward the struggle with OPEC was lost. Henceforth oil prices were progressively to be fixed, not by negotiation as in normal mercantile transactions (*pace* the exponents of treating oil like any other commercial commodity) but by OPEC fiat. The unedifying display of pusillanimity and *saue qui peut* which constituted Western Europe's reaction, and in particular that of Britain and France, to the Arab oil embargo of 1973 only confirmed the Middle-Eastern members of OPEC in their contempt for the Western powers. It is little wonder that, with allies like these, the Americans turned in the summer of 1974 to making their own arrangements to safeguard their oil interests in the Arabian peninsula by entering into a comprehensive agreement with Saudi Arabia for the provision of arms, military training, and assistance with economic development in return for guaranteed oil supplies and promises of Saudi financial investment in the USA. The agreement amounted, in sum, to an American undertaking to preserve the integrity of Saudi Arabia and the primacy of the Al Saud within it.

**H**OWEVER ADVANTAGEOUS or disadvantageous this arrangement may prove to be for the United States, it does little to safeguard the vital interests of Western Europe and Japan in the Gulf. In the final analysis, the United States can do without Middle-Eastern oil. Western Europe and Japan cannot. Moreover, it would be unwise as well as politically undesirable for them to place the entire responsibility for the defence of Western interests in the Gulf upon American shoulders alone. That the

Americans are at present alone in bearing this responsibility is largely a consequence of their own actions and policy since the Second World War in striving to eradicate British and French influence from the Middle East. The attitude adopted by the State Department towards the nationalisation of the Anglo-Iranian Oil Company (BP) in 1951—which in many ways can be regarded as the starting point of the gradual loss of Western strategic control over Middle Eastern oil—was equivocal, to say the least. Subsequently the State Department pushed the major American oil companies into participating in the Iranian consortium as a means of underwriting Iran. By failing to curb the Shah in the early 1970s, when he was leading the OPEC pack in its hunt for higher oil prices, the State Department simply fed his megalomania and paved the way not only for his downfall but also for the eventual extinction of the Western oil companies' rights in Iran.

Across the Gulf in Saudi Arabia, where the State Department had effectively resigned the making and conduct of American policy into the hands of ARAMCO, it had watched with placid indulgence the efforts of the Al Saud from the late 1940s onwards to subvert the authority of the legitimate rulers of Oman and Abu Dhabi within their own borders with the object of annexing their ancestral territories along with any oil deposits that might lie beneath them. The British persisted in their determination to uphold the independence of Oman and Abu Dhabi against Ibn Saud and his successors. So ARAMCO set itself the task, which it accomplished without undue effort, of persuading the State Department that the ending of the British connection with the Gulf would not only benefit American oil interests in Arabia but was also a desirable end in itself, as eliminating an anachronistic remnant of Imperialism and thereby improving American relations with Saudi Arabia and the Arab world at large. *Tempus edax rerum*. When the implications of the Harold Wilson government's decision of January 1968 finally sank in, the State Department began to experience some slight misgivings. By then it was too late. The British had lost their spirit and were packing their bags. The State Department had to make the best of a situation it had had more than a hand in creating.

It did so by conjuring up the "twin-pillar" conceit and by pretending that the Gulf, with each passing year, was becoming more and more like Chesapeake Bay.

**I**T IS ALMOST REDUNDANT to say that it is not. Beneath the veneer of modernity it is as turbulent and unpredictable as ever, and the same tinder that started the conflagration in Iran is present in some measure in all the principalities along

the Arabian shore.

The vast riches which have flowed into the Gulf in this decade have generated prodigality and corruption on a comparable scale. The native tribesman, now that the age of abundance has arrived, will no longer soil his hands with toil; so the heavy manual work of building the contemporary Xanadus arising along the Gulf coast is done by Iranian, Baluchi and Pakistani labourers in their thousands (and in Saudi Arabia by hundreds of thousands of Yemenis), while the skilled tasks are performed by Europeans ("white coolies") and Arab émigrés (most of whom are Palestinians).

Well over half the population of Kuwait is made up of immigrants. It is the same in Qatar. In the United Arab Emirates immigrants outnumber the indigenous inhabitants two or perhaps three times over.

Yet the bulk of the oil wealth is reserved for the native Arab population, distributed to them in the form of public services, housing, welfare benefits and cash allowances, all of which are designed to ensure their continuing allegiance to their rulers. For the mass of the immigrant population there are no such benefits. The resultant discontent, aggravated by the mindless extravagance all about them, affords a potentially fertile breeding ground for political agitation.

Radical political notions, of Marxist, Baathist or other provenance, have been circulating in the Gulf states for some years now. This has been particularly so among sections of the Palestine community and among the native *jeunesse dorée* of Kuwait and Bahrain. They have dabbled in the shallows of revolutionary politics in much the same way as their counterparts in the West have done, and for similar reasons of satiety and boredom. Whether they will ever translate the hotchpotch of ideas which excite them into political action is a moot question. They are also influenced by the current mood of Muslim revivalism which is so pronounced around the shores of the Gulf and which has expressed itself in Iran in a virulent outbreak of anti-Western sentiment.

Over and above the problems of internal security which exist in the Gulf states, the states themselves are divided by long-standing and vexatious antagonisms arising from dynastic rivalries, tribal vendettas, sectarian antipathies, territorial disputes and other historical causes. They have rarely, if ever, been able to sink their differences for any length of time in order to confront a common danger; and there is no sign of their successfully doing so today. On the contrary, they are as ready as ever they were to settle their differences by the sword.

Should any one of the numerous irritations which bedevil relations among Iran, Iraq, Saudi Arabia and the minor Gulf states erupt into open conflict, the entire oil industry of the Gulf, thanks

to the indiscriminate arming of most of these states by the West with the fearsome weapons of modern war, could be put at deadly risk.

WHY THE STATE DEPARTMENT has persisted in playing Pollyanna over the Gulf defies understanding. It may be simply incomprehension on its part, or conscious self-deception, or it may also be deliberate misrepresentation for some obscure purpose. Henry Kissinger, in an interview published in *The Economist* (10 February), excused the failure of American policy in Iran, a policy of which he had himself been an author, by saying that

"all of us paid insufficient attention in Iran to the proposition that political construction should go side by side with economic construction. The failure was less of intelligence agencies than of a conceptual apparatus."

But could it not also have been due to a lack of understanding of Iranian society and history, an insufficient appreciation of the force of Shii Islam in Persian life, and a refusal to see where the Shah's profligate expenditure upon arms was leading?

A staff report to the Senate Foreign Relations Committee in the summer of 1976, for instance, described the arms programme as running out of control, the Iranian armed forces (the Air Force in particular) as being incapable of absorbing the complicated weaponry with which they were being inundated, and the State Department as being uninformed as well as unconcerned about the whole affair. Yet when questioned about the report in September 1976, the State Department's spokesman assured the committee that the arms programme, around which American-Iranian relations revolved, was going swimmingly.

THE SAME HEEDLESS and badly thought-out policy has been pursued, and is still being pursued, with respect to the arming of Saudi Arabia. Here, again, huge quantities of advanced weapons are being poured into a country whose armed forces are even more ill-equipped to handle them than were the Iranians. Nor is it entirely clear that the Saudi budget, despite all the common assumptions to the contrary, is capable of sustaining the expense involved in their purchase. The United States is even more deeply committed to Saudi Arabia than she was to Iran. If the need for American intervention should arise—to safeguard American oil interests or to defend the ruling house against its enemies from within or without, the United States will be faced with a series of acute dilemmas.

Intervention will have been made domestically difficult because of conflicting statements on the subject made by members of President Carter's administration and the hostility to the idea expressed at various times by leading Democratic senators. Intervention would be hazardous in a Middle-Eastern context because of the religious as well as the political antipathy it would arouse. Nor, in the form one would normally expect it to take in military terms, would it necessarily prove effective, at least so far as the preservation of the integrity of Saudi Arabia and the rule of the Al Saud were concerned. A military occupation of the Hasa oilfields might well send reverberations across the peninsula which would surface in insurrection in the Hijaz—and no Western troops could be dispatched to the Holy Places of Islam to suppress it.

WHAT HAS TO BE WEIGHED, in the final assessment, is the importance of the Gulf's oil to the West against the dangers which would attend any positive move to assure strategic control over it.

Every passing year since the start of this decade has revealed more clearly the folly of depending for continued access to the region's oil reserves upon the goodwill, capacity and sense of responsibility of the wilful and capricious régimes that rule the Gulf. Every year, too, has seen the dangers to the region's security multiply, whether from the rarely glimpsed but nevertheless active seditious elements within the Gulf states or from the steady encirclement of the area by the Soviet Union and its clients.

The Russians are now established in Afghanistan, Iraq, and Ethiopia. Down in the south-western corner of Arabia they sit entrenched in the former British base at Aden, along with their Cuban and East-German auxiliaries, ready to direct them and their South Yemeni vassals eastwards into Dhufar or northwards into the Yemen. Their need for oil, for themselves and their East European satellites, is growing; and they cannot afford to pay for it in hard currency or acceptable manufactures. The temptation to take by subversion what they cannot afford to purchase will surely grow at a commensurate pace. They have learned the lessons of sea-power, which the West is in danger of forgetting, and they recognise the truth (which the Western powers flinch from acknowledging) of Macaulay's dictum—"that the essence of war is violence, and that moderation in war is imbecility." Those flapping wings and harsh cries we hear around us may not be chickens, after all, but birds of more sinister and predatory aspect.

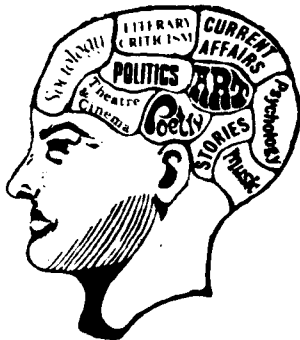
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## CONFERENCE

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# Democracy without Tears (but much Rhetoric)

By John O'Sullivan



IT USED TO BE the proud boast of Peter Simple, resident satirist on London's *Daily Telegraph*, that he had correctly forecast the result of every Portuguese election during Dr Salazar's forty years of power. He was

relying, moreover, he would point out, not on elaborate surveys of public opinion, nor on statistical breakdowns of regional voting patterns, but just on good, plain, old-fashioned hunch.

Alas for Peter Simple's peace of mind, the world is rapidly placing itself beyond the reach of satire. Its everyday activities far exceed the wildest ironies that the satirist can invent. In particular, the international community (and there's a phrase that should ring a carillon of warning bells) contains innumerable states, perhaps a majority, which passionately claim the status of democracy but in which, somehow or other, the rascals never get thrown out. Unlike Dr Salazar, moreover, the rulers of these societies feel less and less moral inferiority in the company of 24-carat Western democrats. When, therefore, the official French radio station, *France Culture*, decided to hold a symposium on "The Future of Democracy", two things were certain: that it would be held in Athens, and that the representatives of democracy without surprises would dominate the occasion.

There were, of course, a few orthodox democrats scattered around to show that *France Culture* was prepared to hear all sides—Herman Kahn, Professor Arthur Schlesinger jr, and Premier Mario Soares of Portugal. But the all-important *tone* was set by what Bernard Nossiter in the *Washington Post* called "sentimental leftists, Gaullists and communists." (Gaullists are a special case, being democrats who, for understandable historical reasons, have a pronounced affection for authoritarian styles of ruling.) Among those pre-

sent, as the *Tatler and Bystander* might put it, were Signor Lucio Libertini of the Italian Communist Party; ex-President Luis Eccheverria of one-party Mexico; Mohammed Heikal of Egypt; Vladimir Becaric of Yugoslavia; Premier Hedi Nouira of one-party Tunisia; and many others. As the upper-class English Army officer said when asked what conditions had been like at the battle of Dunkirk: "My dear, the noise, the *people!*"

UNDER SUCH DISTINGUISHED scrutiny, democracy naturally turned out to be terribly complicated, even mystifying. Does the reader of these pages perhaps imagine that it is a relatively simple matter of competitive parties, regular elections, universal suffrage and civil rights? Well, according to Signor Libertini—a Euro-Communist in the current mode—these fulfil only half the requirements. "Complete democracy" would consist both of parliamentary pluralism and civil rights as above and of "socialistic economics" as well. This is a very useful formulation from a Euro-Communist viewpoint because it establishes by definition what is already believed in European Left circles—namely, that the West and the Soviets are equally undemocratic, though in different ways. *They* shove people into psychiatric wards for demanding free elections—and *we* allow multi-national corporations to manipulate consumers by foisting on them a pointless alienating choice between McDonalds and Burger-King, Republicans and Democrats. Doubters are referred to Marcuse who refers them to Hegel.

Signor Libertini's formulation, though it conveniently disposes of the West's claim to democracy, has certain internal contradictions of its own. To take the most obvious, suppose the people stubbornly vote for capitalist parties? Is the compleat democrat to suppress them in the interests of economic democracy (as a few chaps in the US Treasury making all the economic choices for 200 million other Americans is quaintly called)? Or is he to bow to the popular will and submit to the domination of the multi-nationals? But perhaps the dialectic will come up with a synthesis that